

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:6088
ANSWERED ON:05.05.2003
SUPPORT PRICE OF AGRICULTURAL PRODUCTS
NAWAL KISHORE RAI;RAMJILAL SUMAN

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government have not increased the support price of various agricultural products as per the average increase in the production cost witnessed in the country during the last decade;
- (b) if so, the reasons therefore;
- (c) the extent to which the production cost of wheat, paddy, cotton, sugarcane, oilseeds and pulses have increased in the country during the nineties;
- (d) the extent to which the support price for the above said products increased/decreased during abovesaid period;
- (e) whether the agriculture has become an unprofitable industry due to ignorant policy of the Government; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) & (b): Cost of Production is the most important factor in fixing the Minimum Support Prices(MSPs) of major agricultural commodities. While formulating its recommendations on price policy of major agricultural commodities, the Commission for Agricultural Costs and Prices (CACP) considers various factors in addition to cost of production. These include changes in input prices, input/output price parity, parity between prices paid and prices received by farmers (Terms of Trade) etc. The Government decide on the Minimum Support Prices for various agricultural commodities taking into account the recommendations of CACP, the views of State Governments and Central Ministries as well as other relevant factors considered important in the fixation of Minimum Support Prices.

(c): A statement showing the increase in cost of production of wheat, paddy, cotton, sugarcane, oilseeds and pulses during the nineties is enclosed (Annexure-I).

(d): A statement showing the increase in the Minimum Support Prices of the commodities under reference during the nineties is also enclosed (Annexure-II).

(e) & (f): The price policy for agricultural commodities followed by the Government has paid rich dividends by way of higher production & productivity leading to increase in investment and income in agriculture.

ANNEXURE-I

Percentage increase in cost of production

Crops Cost of Production % increase in 2000-01
(Rs. per quintal) over 1991-92
1991-92 2000-01

PADDY	228.71	472.98	106.8
COTTON	803.62	2026.93	152.2
ARHAR (TUR)	554.22	1105.51	99.5
MOONG	743.80	1764.97	137.3
URAD	636.60	1358.76	113.4
GROUND-	704.83	1376.69	95.3
NUT-IN SHEEL			
SOYABEAN	592.74	748.13	26.2
WHEAT	221.92	449.65	102.6
RAPE-	489.38	896.61	83.2
SEED/MUSTARD			

SUN-	692.70	1462.09	111.1
FLOWER			
SEED			
SUGARCANE	25.09	56.60	125.6

ANNEXURE-II

Percentage increase in Minimum Support Prices

Crops	MSP (Rs. per quintal)	% increase in 2000-01 over 1991-92
	1991-92	2000-01

PADDY	230	510	121.7
COTTON			
F- 414/H-777	695	1625	133.8
H-4	840	1825	117.3

ARHAR (TUR)	545	1200	120.2
MOONG	545	1200	120.2
URAD	545	1200	120.2
GROUND-	645	1220	89.1
NUT-IN			
SHEEL			
SOYABEAN (BLACK)	395	775	96.2
(YELLOW)	445	865	94.4

WHEAT	275	610	121.8
RAPESEED/MUSTARD	670	1200	79.1
SUNFLOWER SEED	670	1170	74.6
SUGARCANE	26.00	59.50	128.8